

**OIL AND GAS DOCKET NO. 03-0235431**

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**THE APPLICATION OF TRI-C RESOURCES, INC., FOR FIELD RULES FOR THE  
EASTER (15120) FIELD, COLORADO COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: June 23, 2003

Hearing held: July 21, 2003

**Appearances**

Stacy Branson  
Randy Besh  
Al Nance

Representing  
Tri-C Resources, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Tri-C Resources is seeking the following field rules for the Easter (15120) Field:

1. Designated interval from 14,301' to 15,412', as shown on the log of the Tri-C Resources Lehrer Lease Well No. 1; and
2. allocation based 95% on deliverability and 5% per well.

**DISCUSSION OF THE EVIDENCE**

Tri-C completed its Lehrer Lease Well No. 1 in May of 2003. The well was perforated from 15,146' to 15,165' in a Wilcox sandstone. This particular sandstone extends from 15,120' to 15,188', which was the designated interval approved for the new field. The initial producing rate of this completion was 2682 MCF per day with no liquids, and 37 MMCF of gas was produced from these perforations before they were temporarily abandoned.

On June 3, 2003, Tri-C perforated the Lehrer No. 1 from 14,301' to 14,311' and from 14,382 to 14,388'. This set of perforations was tested at a maximum initial rate of 5044 MCF/D, and these perforations have already produced 136 MMCF of gas. If this application is approved, Tri-C will remove the sand plug above the initial perforations and produce the entire interval from 14,301' to 15,412' (total depth of the well) as a single completion.

The Lehrer No. 1 produces from a sandstone/shale sequence in the Wilcox Formation. The trap is northwest of a large fault which trends northeast/southwest and located between two splinter faults on the upthrown side of the larger fault. The closest well completed in any correlative sandstones is over five miles away. Most of the development in the area is in shallower formations. Tri-C intends

to drill more wells to deeper Wilcox sandstones than were tested in the Lehrer No. 1.

The initial bottom-hole pressure was 13,741 psi in the original perforations, and 12,932 psi in the current set of perforations. All of the perforated intervals produce dry gas with some carbon dioxide and the water from both intervals is compatible. Tri-C has also requested that all overproduction for the Lehrer No. 1 be canceled as there are no offset operators.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the field and to all operators and unleased mineral interest owners of tracts offsetting the discovery tract on July 11, 2003.
2. The discovery well, the Tri-C Resources Lehrer Lease Well No. 1, was completed in May of 2003.
3. All production from the entire interval between 14,301' and 15,412' (total depth of the Lehrer No. 1) can be downhole commingled without causing waste.
  - a. The first set of perforations, between 15,146' and 15,188', tested at a maximum initial rate of 2682 MCF per day, and produced 37 MMCF of gas before being temporarily abandoned.
  - b. New perforations, from 14,301' to 14,311' and from 14,382 to 14,388', were tested at a maximum initial rate of 5044 MCF/D, and these perforations have already produced 136 MMCF of gas.
  - c. The Wilcox sandstones in the proposed designated interval were at virgin pressure on initial completion and they produce similar water and hydrocarbons.
  - d. None of the sandstones in the proposed designated interval have been produced by wells within 2-1/2 miles.
4. The proposed designated interval includes several sandstones that are not in natural communication and state statutes require a two-factor allocation formula for fields with multiple reservoirs.
5. Allocation based 5% per well and 95% on deliverability is close to the statewide allocation formula and will satisfy statutory requirements.
6. Cancellation of any overproduction of the Tri-C Resources Lehrer No. 1 will not violate correlative rights as there are no offset operators.

### **CONCLUSIONS OF LAW**

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.

3. The requested designated interval and allocation formula rules will prevent waste, protect correlative rights and promote orderly development of the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the requested field rules for the Easter (15120) Field be approved. All overproduction for the Tri-C Resources Lehrer Well No. 1 should be canceled.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: August 5, 2003.